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2003 MAR 28 P 12: 24

AZ CORP COMMISSION
DOCUMENT CONTROL

March 27, 2003

VIA OVERNIGHT MAIL

Docket Control
Attention: John Boswick
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007-2927

Arizona Corporation Commission
DOCKETED

MAR 28 2003



**Re: FirstMile Technologies
Arizona Corporation Commission Data Request
Docket No. T-04144A-02-0762**

Dear Sir or Madam:

Pursuant to a conversation with John Boswick on February 25, 2003, enclosed for your review are sixteen (16) copies of the documents and supplemental information requested from FirstMile Services, LLC d/b/a FirstMile (FirstMile) regarding the above-referenced proceeding. For your convenience, I have also enclosed copies of FirstMile's application.

If you need additional information regarding this matter, please contact us.

Sincerely,

Rebecca Murphy

Enclosures

cc: Mike Farmer

FirstMile Technologies
Biographical Summaries

Joe Muldoon
Chief Executive Officer

Responsibilities: Overall organizational leadership including supporting services and strategy development, capital formation, organizational culture, performance assurance, and employee career development. Key relationship contact with critical customers and suppliers.

Background: 15+ years of executive management experience. Prior to joining FirstMile, Joe served as President of Brightpoint North America, the leading provider of outsourced services in the U.S. wireless telecommunications and data industry. Also served as the General Manager for Macmillan Computer Publishing, a division of Viacom, and as General Manager for Olinger Distributing.

Holds a B.S. in Business from Indiana University. He is a CPA, serves on the Board of Jameson, Inc., and is a member of the Young Presidents Organization.

Mike Farmer
Chief Operating Officer

Responsibilities: Operations leadership including technology selection, budget compliance, service performance management, overall vendor management, services pricing, competitive analysis, employee career development, and regulatory support.

Background: 20+ years of executive management experience. Prior to joining FirstMile, was President of Shape Energy Resources, a joint venture between Dow Chemical and Mid-America Capital. Capped a 25-year career at Ameritech as President of Ameritech Advanced Data Services, from serving as General Manager of Indiana Bell's Customer Service.

Holds a B.S. in Business from Indiana State and an MBA from Indiana University. Past Board member of the Indianapolis Zoo, Indiana Experience Museum, and Indiana Bell Communications.

Kevin Kernel
Director Network Engineering

Responsibilities: Data backbone design; Internet connectivity; E-mail, community intranet, billing system, voicemail, corporate web site server operations; server fire-walling; help desk management; end to end network management, router operations.

Background: 20+ years of data networking experience. Previously employed by EDS and Exxon. At EDS established Delco Electronics first Local area network and for 11 years designed and installed Fortune 1000 local & wide area networks. Kevin has also designed and supported large-scale Microsoft Windows NT domain systems.

Holds a B.S. in Chemical Engineering from Purdue University. He is a Microsoft Certified Systems Engineer (MCSE+1) and a registered Professional Engineer (PE).

FirstMile Technologies
Biographical Summaries

Jeff Matson
Director Infrastructure Engineering

Responsibilities: Network Operating Center (NOC) building facility and peripheral systems; fiber backbone design; underground outside plant infrastructure design; video head-end design; outside plant contractor selection; MTA implementation; power systems (NOC and field).

Background: 15+ years of power systems, fiber optic, and premise wiring experience. Implemented new power system plants, office alarming systems, and support structures for Jones Fiber Networks, Time Warner Communications, and ICG. Installed and managed large fiber optic and premise wiring projects for Newmont Gold, Santa Fe Pacific, Martin Marietta, and Blue Cross/Blue Shield of Colorado.

US West subcontractor for the Denver International Airport fiber backbone and premise-wiring infrastructure.

Bob Wilson
Director Telephone Switching

Responsibilities: Telephone backbone design; telephone switch design and operation; switch routing and billing logic; telephone number administration; voicemail system design and operation; SS& network design and operation; Qwest physical network interconnection coordination; E-911 trunking network and PSAP coordination; Network Interface Device (NID) technology selection; Illuminet, Qwest, T&S, Taqua relationship management.

Background: 30+ years of telephone switching experience with Indiana Bell/Ameritech. From an operations standpoint, managed up to 35 telephone central offices (exchanges). Project management experience included the conversion of numerous exchanges from analog to digital systems; as well as the conversion of large customer systems, including complex dialing plans, long distance service, voice mail, and ACD/UCD systems (e.g. State of Indiana, Eli Lilly, Cummins Engine). Served as the Director of Customer Service for Ameritech's top 200 customers.

**First Mile Technologies, Inc.
Corporate Organization as of February 24, 2003**

Corporate Holding Company

First Mile Technologies, Inc.
Created as C-Corp Dec. 1999
db/a: E.Com Technologies
Assets: Inv in Subs
Status: Holding Co.

Sole member of FMS

Service Holding Companies

First Mile Services, LLC
db/a: First Mile Technologies
db/a: E.com Technologies
db/a: First Mile Cable
Assets: Inv in Subs
Status: Holding Co.

**Granted nonexclusive license
from access entities to
provide services**

Sole member of E.Com Technologies, Gotown.net and FME

Specialized Service Companies

E.Com Technologies, LLC
db/a: First Mile Technologies
Assets: All Operating
Status: Active

**Holds C.T.A.
CELEC for IN, TX, CO and FL
Regulated by IURC**

Gotown.net, LLC
db/a: First Mile Technologies
Assets: None
Status: Inactive

First Mile Entertainment, LLC
db/a: First Mile Technologies
db/a: First Mile Cable
Assets: Contracts
Status: Inactive

Executes / holds contracts for video content

First Mile Technologies
Balance Sheet
As of December 31, 2002

9:28 AM
03/18/2003
Accrual Basis

	Dec 31, 02
ASSETS	
Current Assets	
Total Checking/Savings	9,948.44
Total Accounts Receivable	128,497.88
Total Other Current Assets	15,430.82
Total Current Assets	153,877.14
Fixed Assets	
Accumulated Depreciation	-808,789.45
18210 · NOC Building	262,953.40
18310 · Office Furniture/Equipment	66,302.78
18320 · NOC Peripheral Systems	242,478.64
18330 · ISP/Intranet ETS	396,816.51
18340 · Telephony ETS	303,540.83
18350 · CATV/Video ETS	426,147.32
18360 · Combining Infrastructures	221,064.42
18410 · Market Transport Infrastructure	357,901.58
18510 · Outside Plant Costs	1,004,445.96
18520 · RF Engineering & Design Costs	33,282.01
18610 · Home Technology Costs	393,327.38
Total Fixed Assets	2,899,471.38
TOTAL ASSETS	3,053,348.52
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Total Accounts Payable	174,730.43
Total Other Current Liabilities	3,274,432.26
Total Current Liabilities	3,449,162.69
Long Term Liabilities	
Notes Payable	
Arbor Homes Convertible Debt	119,495.00
Total Notes Payable	119,495.00
Total Long Term Liabilities	119,495.00
Total Liabilities	3,568,657.69
Equity	
Capital Stock	8,233,000.00
Treasury Stock	-37,500.00
1110 · Retained Earnings	-6,398,241.99
178002 · Capital / Stock Offerings Legal	-162,444.48
Net Income	-2,150,122.70
Total Equity	-515,309.17
TOTAL LIABILITIES & EQUITY	3,053,348.52

ARIZONA CORPORATION COMMISSION

Application and Petition for Certificate of Convenience and Necessity to Provide
Intrastate Telecommunications Services

Mail original plus 10 copies of completed application to:

For Docket Control Only:
(Please Stamp Here)

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007-2927

Please indicate if you have current applications pending
in Arizona as an Interexchange reseller, AOS provider,
or as the provider of other telecommunication services.

Type of Service: _____

Docket No.: _____ Date: _____

Date Docketed: _____

Type of Service: _____

Docket No.: _____ Date: _____

Date Docketed: _____

A. COMPANY AND TELECOMMUNICATION SERVICE INFORMATION

(A-1) Please indicate the type of telecommunications services that you want to provide in Arizona and answer the appropriate numbered items:

- Resold Long Distance Telecommunications Services (Answer Sections A, B, C).
- Resold Local Exchange Telecommunications Services (Answer Sections A, B, C).
- Facilities-Based Long Distance Telecommunications Services (Answer Sections A, B, D).
- Facilities-Based Local Exchange Telecommunications Services (Answer Sections A, B, D, E)
- Alternative Operator Services Telecommunications Services (Answer Sections A, B)

(A-2) The name, address, telephone number (including area code), facsimile number (including area code), e-mail address, and World Wide Web address (if one is available for consumer access) of the Applicant:

FirstMile Services, LLC O: 317-569-2800
750 Liberty Drive F: 317-569-2805
Westfield, IN 46074 www.firstmileusa.com
E-Mail: info@firstmileusa.com

(A-3) The d/b/a ("Doing Business As") name if the Applicant is doing business under a name different from that listed in Item (A-2):

d/b/a FirstMile Technologies

(A-4) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Management Contact:

Michael J. Farmer O: 317-569-2808
750 Liberty Drive F: 317-569-2805
Westfield, IN 46074 E-Mail: mfarmer@gotown.net

(A-5) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Attorney and/or Consultant:

Ken Johnson O: 202-371-1500
Bennet & Bennet F: 202-371-1558
1000 Vermont Ave., N.W.
10th Floor
Washington, D.C. 20005

E-Mail: kjohnson@bennetlaw.com

(A-6) The name, address, telephone number (including area code), facsimile number (including area code), E-mail address of the Applicant's Complaint Contact Person:

Irene Snyder O: 317-569-2800
750 Liberty Drive F: 317-569-2805
Westfield, IN 46074 E-Mail: isnyder@gotown.net

(A-7) What type of legal entity is the Applicant?

- Sole proprietorship
- Partnership: ___ Limited, ___ General, ___ Arizona, ___ Foreign
- Limited Liability Company: ___ Arizona, x Foreign
- Corporation: ___ "S", ___ "C", ___ Non-profit, ___ Arizona, ___ Foreign
- Other, specify: _____

(A-8) Please include "Attachment A":

Attachment "A" must include the following information:

1. A copy of the Applicant's Certificate of Good Standing as a domestic or foreign corporation, LLC, or other entity in the State of Arizona.
2. A list of the names of all owners, partners, limited liability company managers (or if a member managed LLC, all members), or corporation officers and directors (specify).
3. Indicate percentages of ownership.

(A-9) Include your Tariff as "Attachment B".

Your Tariff must include the following information:

1. Proposed Rates and Charges for each service offered (reference by Tariff page number).
2. Tariff Maximum Rate and Prices to be Charged (reference by Tariff page number).
3. Terms and Conditions Applicable to provision of Service (reference by Tariff page number).
4. Deposits, Advances, and/or Prepayments Applicable to provision of Service (reference by Tariff page number).
5. The proposed fee that will be charged for returned checks (reference by Tariff page number).

(A-10) Indicate the geographic market to be served:

- Statewide. (Applicant adopts statewide map of Arizona provided with this application).
- Other. Describe and provide a detailed map depicting the area.

(A-11) Indicate if the Applicant has been or if the Applicant is currently involved in any formal or informal complaint proceedings pending before any State or federal Regulatory Commission:

- Yes No

If "Yes", please provide the following information:

1. States in which the Applicant has been or is involved in proceedings.

Indiana

2. Detailed explanations of the Substance of the Complaints.

On March 20, 2002, the Indiana Utility Regulatory Commission (IURC) issued an order instituting an investigation into compliance with its' orders and administrative rules. A public hearing was held on August 23, 2002 to complete the investigation. E.Com Technologies, LLC is doing business in the state of Indiana under the name FirstMile Technologies.

3. Commission Orders that resolved any and all Complaints.

A proposed order is pending. At the IURC's request, FirstMile plans to file a draft order by September 30, 2002.

4. Actions taken by the Applicant to remedy and/or prevent the Complaints from re-occurring.

The IURC requested clarification regarding current and future affiliate agreements because the majority shareholder of FirstMile, Paul Estridge Jr., is also an Indianapolis developer/builder and falls under the IURC's definition of an affiliate. One of the three residential developments FirstMile currently serves in Indianapolis is an Estridge development. FirstMile disclosed all affiliate agreements at the August 23, 2002 hearing, demonstrating that the terms of these agreements are similar to competitive agreements between non-affiliated companies in this market. To assist the IURC with future questions or concerns, FirstMile offered to disclose to the Commission all affiliate agreements. FirstMile has also offered to disclose to potential homeowners of any Estridge development served solely by FirstMile that both companies are affiliates.

The IURC further inquired about three monthly reports that were not filed on time. FirstMile voluntarily provided the IURC monthly quality of service reports for 13 months, in addition to the standard annual reports. FirstMile filed three of these monthly reports approximately 45 days after their due dates. As demonstrated in the August 23, 2002 hearing, the untimely filing of these monthly reports was the result of an administrative oversight and back-up administrative procedures

have been put in place to ensure compliance in the future. FirstMile further demonstrated that its service performance met the Commission's acceptable standards. FirstMile has offered to continue filing monthly quality of service reports on a timely basis for the remainder of 2002.

(A-12) Indicate if the Applicant has been or is currently involved in any civil or criminal investigations AND/OR had judgment entered against it in any civil matter or been convicted of any criminal acts related to the delivery of telecommunications services within the last five (5) years:

Yes No

If "Yes", please provide the following information.

1. States involved in the judgments and/or convictions.
2. Reasons for the investigation and/or judgment.
3. Copy of the Court order, if applicable.

(A-13) Indicate if the Applicant's customers will be able to access alternative toll service providers or resellers via 1+101XXXX access.

Yes No

(A-14) Is applicant willing to post a Performance Bond? Please check appropriate box(s).

For Long Distance Resellers, a \$10,000 bond will be recommended for those resellers who collect advances, prepayments or deposits.

Yes No

If "No", continue to question (A-15).

For Local Exchange Resellers, a \$25,000 bond will be recommended.

Yes No

If "No", continue to question (A-15).

For Facilities-Based Providers of Long Distance, a \$100,000 bond will be recommended.

Yes No

If "No", continue to question (A-15).

For Facilities-Based Providers of Local Exchange, a \$100,000 bond will be recommended.

Yes No

If "No", continue to question (A-15).

Note: Amounts are cumulative if the Applicant is applying for more than one type of service.

(A-15) If No to any of the above, provide the following information. Clarify and explain the Applicant's deposit policy (reference by tariff page number). Provide a detailed explanation of why the applicant's superior financial position limits any risk to Arizona consumers.

(A-16) Submit copies of affidavits of publication that the Applicant has, as required, published legal notice of the Application in all counties where the services will be provided.

Prior to issuance of the CC&N, the Applicant must complete and submit an Affidavit of Publication Form. Refer to Attachment C - Legal Notice Material (Newspaper Information, Sample Legal Notice and Affidavit of Publication).

(A-17) Indicate if the Applicant is a switchless reseller of the type of telecommunications services that the Applicant will or intends to resell in the State of Arizona:

Yes No

If "Yes", provide the name of the company or companies whose telecommunications services the Applicant resells.

(A-18) List the States in which the Applicant has had an application approved or denied to offer telecommunications services similar to those that the Applicant will or intends to offer in the State of Arizona:

Applicant has received certification approval in Indiana, Colorado, Florida, and Texas under the name E.Com Technologies, LLC d/b/a First Mile Technologies. Pursuant to Arizona corporate law, a company may not possess the same or substantially similar name as another Arizona company. After searching the availability of E.Com Technologies and finding another company with the same name, applicant will provide service under the name FirstMile Services, LLC d/b/a FirstMile Technologies.

(A-19) List the States in which the Applicant currently offers telecommunications services similar to those that the Applicant will or intends to offer in the State of Arizona.

Applicant is currently providing telecommunication services in Indiana, which are similar to those intended for Arizona.

(A-20) List the names and addresses of any alternative providers of the service that are also affiliates of the telecommunications company, as defined in R14-2-801.

There are none. See A-18.

B. FINANCIAL INFORMATION

(B-1) Indicate if the Applicant has financial statements for the two (2) most recent years.

Yes No

If "No," explain why and give the date on which the Applicant began operations.

(B-2) Include "Attachment D".

Provide the Applicant's financial information for the two (2) most recent years.

1. A copy of the Applicant's balance sheet.
2. A copy of the Applicant's income statement.
3. A copy of the Applicant's audit report.
4. A copy of the Applicant's retained earnings balance.
5. A copy of all related notes to the financial statements and information.

FirstMile has provided complete and audited financial statements for its two (2) most recent years: 2000 and 2001. FirstMile's 2002 financial statements have not yet been prepared or audited. See Attachment D.

(B-3) Indicate if the Applicant will rely on the financial resources of its Parent Company, if applicable.

NA

(B-4) The Applicant must provide the following information.

1. Provide the projected total revenue expected to be generated by the provision of telecommunications services to Arizona customers for the first twelve months following certification, adjusted to reflect the maximum rates for which the Applicant requested approval. Adjusted revenues may be calculated as the number of units sold times the maximum charge per unit.

Total projected telecommunications revenue during the first twelve months following certification is expected to be \$40,000.

2. Provide the operating expenses expected to be incurred during the first twelve months of providing telecommunications services to Arizona customers following certification.

Total telecommunications related operating expenses during the first twelve months following certification are expected to be \$1,200,000.

3. Provide the net book value (original cost less accumulated depreciation) of all Arizona jurisdictional assets expected to be used in the provision of telecommunications service to Arizona customers at the end of the first twelve months of operation. Assets are not limited to plant and equipment. Items such as office equipment and office supplies should be included in this list.

Total telecommunications related assets during the first twelve months following certification are expected to be \$900,000.

4. If the projected value of all assets is zero, please specifically state this in your response.

5. If the projected fair value of the assets is different than the projected net book value, also provide

the corresponding projected fair value amounts.

C. RESOLD LONG DISTANCE AND/OR LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

(C-1) Indicate if the Applicant has a resale agreement in operation

Yes No

If "Yes", please reference the resale agreement by Commission Docket Number or Commission Decision Number.

Decision # 64178. The applicant is currently reselling MCI long distance.

D. FACILITIES-BASED LONG DISTANCE AND/OR FACILITIES BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

(D-1) Indicate if the Applicant is currently selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services in the State of Arizona. This item applies to an Applicant requesting a geographic expansion of their CC&N:

Yes No

If "Yes," provide the following information:

1. The date or approximate date that the Applicant began selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services for the State of Arizona.
2. Identify the types of facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services that the Applicant sells in the State of Arizona.

If "No," indicate the date when the Applicant will begin to sell facilities-based long distance telecommunications AND/OR facilities-based local exchange telecommunications services in the State of Arizona:

The applicant expects to begin selling facilities based local exchange telecommunications services in Arizona by September 2003.

(D-2) Check here if you wish to adopt as your petition a statement that the service has already been classified as competitive by Commission Decision:

- Decision # 64178 Resold Long Distance
- Decision # 64178 Resold LEC
- Decision # 64178 Facilities Based Long Distance
- Decision # 64178 Facilities Based LEC

E. FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

(E-1) Indicate whether the Applicant will abide by the quality of service standards that were approved by the Commission in Commission Decision Number 59241:

- Yes
- No

(E-2) Indicate whether the Applicant will provide all customers with 911 and E911 service, where available, and will coordinate with incumbent local exchange carriers ("ILECs") and emergency service providers to provide this service:

- Yes
- No

(E-3) Indicate that the Applicant's switch is "fully equal access capable" (i.e., would provide equal access to facilities-based long distance companies) pursuant to A.A.C. R14-2-1111 (A):

- Yes
- No

I certify that if the applicant is an Arizona corporation, a current copy of the Articles of Incorporation is on file with the Arizona Corporation Commission and the applicant holds a Certificate of Good Standing from the Commission. If the company is a foreign corporation or partnership, I certify that the company has authority to transact business in Arizona. I certify that all appropriate city, county, and/or State agency approvals have been obtained. Upon signing of this application, I attest that I have read the Commission's rules and regulations relating to the regulations of telecommunications services (A.A.C. Title 14, Chapter 2, Article 11) and that the company will abide by Arizona state law including the Arizona Corporation Commission Rules. I agree that the Commission's rules apply in the event there is a conflict between those rules and the company's tariff, unless otherwise ordered by the Commission. I certify that to the best of my knowledge the information provided in this Application and Petition is true and correct.

Michael J. Farmer

(Signature of Authorized Representative)

2/11/03

(Date)

Michael J. Farmer

(Print Name of Authorized Representative)

Chief Operating Officer

(Title)

SUBSCRIBED AND SWORN to before me this 11 day of February, 2003

Amanda J. Rustail

NOTARY PUBLIC

My Commission Expires Nov 7, 2010